

*Major Victory for Property Owners Facing New Cost of Flood Insurance Passes in House*

**Washington, DC** - Congressman Maurice Hinchey (D-NY) won a major victory today on behalf of thousands of local home and business owners who face the new cost of flood insurance due to the Federal Emergency Management Agency's (FEMA) flood map modernization program. Hinchey successfully worked to attach several provisions to a bill that extends the national flood insurance program in order to allow property owners who will face a new requirement to purchase flood insurance to delay the need to purchase flood insurance for five years, or pay a reduced fee for five years if they prefer to have the insurance. Hinchey also worked to ensure that property owners who successfully challenge a FEMA flood risk assessment are provided with financial reimbursement for costs incurred during the appeal process.

"Thousands of home and business owners face a new requirement to purchase flood insurance as their properties are re-mapped into flood zones even though they may have never experienced a flood," said Hinchey. "A month ago, I introduced the Flood Insurance Fairness Act to address this issue and today, at my urging, the House included most of the provisions of that bill in a broader package that extends the federal flood insurance program. As a result of this legislation, property owners will have the option to delay the flood insurance purchase requirement for up to five years and FEMA will have to cover certain costs associated with the flood hazard map appeals process."

In June, Hinchey, Congressman Michael Arcuri (D-NY) and Congressman Scott Murphy (D-NY) introduced the Flood Insurance Fairness Act of 2010. Since that time, Hinchey has worked with Rep. Maxine Waters (D-CA) and other members of the House Financial Services Committee to have the provisions of his bill included in the Flood Insurance Reform Priorities Act of 2010. The full house approved the bill and the managers amendment that included Hinchey's provisions.

"It is imperative that we have accurate flood maps that protect our communities without unnecessarily burdening them or stifling development, especially during these tough economic times," said Arcuri who is a member of the subcommittee on Economic Development, Public Buildings and Emergency Management, which oversees FEMA. "This legislation removes the undue burdens placed upon home and business owners as they are remapped into new flood zone boundaries by FEMA, by allowing them to delay the purchase of flood insurance for up to five years, and phase in those premium rates over the next five years once the policy has been initiated."

"As a small businessman, I understand that flood insurance may not be built into a family's or small business's normal budget," said Murphy. "And at a time when they are already tightening their belts, we should not be asking them to pay for another additional burden. While it is important to have accurate flood maps, some are just finding out now that their property is located in a flood zone, even though they never lived in one before. This important change will enable them enough time to adjust and get ready for these changes."

"At a time when small businesses and homeowners throughout New York and across the country are still feeling the pinch in a recovering economy, this bill will help ensure that this remapping process doesn't provide an additional burden," said Hinchey from the House floor. "I thank Representative Waters for her strong leadership on this issue, and I commend the committee for their understanding of the need for these reforms."

The Flood Insurance Reform Priorities Act reauthorizes and reforms the National Flood Insurance Program (NFIP) to ensure that it is effective and reliable for the more than five million homes and businesses that rely on it for affordable flood insurance coverage. In addition to the provisions Hinchey worked to include, the legislation provides an increase in flood insurance coverage limits, establishes an installment payment program for flood insurance premiums and creates an office of the Flood Insurance Advocate to assist policyholders' interactions with the NFIP.

In early May, Hinchey met with representatives from FEMA in Washington to discuss the flood map modernization process and several of the provisions that will be included in his bill. In the following weeks, Hinchey received letters from various local officials and concerned citizens requesting relief for properties impacted by the proposed remapping.

FEMA is required to establish flood-risk zones, which determine if property owners must purchase flood insurance. The current five-year flood map modernization initiative aims to update, revise and digitize the flood maps for more than 20,000 communities across the country in response to climate change, increased incidence of flood disasters, and changes to the environment.

Under the National Flood Insurance Program, created by Congress in 1968, property owners in flood-risk zones are required to purchase federally subsidized flood insurance if their property

has a mortgage that is backed by the federal government.